

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
SmartHome, Inc.		11/02/2005	CORPORATION: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	John P. Kensey		
<b>Street Address:</b>	P.O. Box 41-B		
<b>City:</b>	Newport Beach		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	92662		
<b>Entity Type:</b>	INDIVIDUAL: UNITED STATES		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	78408351	INSTEON	
<b>Serial Number:</b>	78656443	SMARTHOME	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(415)369-8762		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	415-369-7237		
<b>Email:</b>	trademark@thelenreid.com		
<b>Correspondent Name:</b>	Heather Stewart		
<b>Address Line 1:</b>	Thelen Reid & Priest LLP		
<b>Address Line 2:</b>	P.O. Box 190187		
<b>Address Line 4:</b>	San Francisco, CALIFORNIA 94119-0187		
<b>ATTORNEY DOCKET NUMBER:</b>	031721-6		
<b>NAME OF SUBMITTER:</b>	Heather Stewart		
<b>Signature:</b>	/Heather Stewart/		

**CH \$65.00 78408351**

Date:

11/17/2005

**Total Attachments: 10**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of November 2, 2005, by and between John P. Kensey, in his capacity as "Administrative Agent" under the Loan Agreement (defined below) and for the benefit of the lenders party to the Loan Agreement to the extent of their interests (in such capacity, "Secured Party"), and SmartHome, Inc., a California corporation ("Grantor").

### RECITALS

A. The John P. Kensey Living Trust, Joseph J. Dada III and Laurie Paige Maroni, Pearl and Robert V. Maroni, and The Fred and Mary Jo Selby Family Trust (the "Lenders") have agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and among Secured Party, the Lenders and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). The Lenders are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Secured Party a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Secured Party, Grantor hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Grantor and Secured Party, Grantor grants and pledges to Secured Party a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Secured Party under the Loan Agreement. The rights and remedies of Secured Party with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Secured Party

as a matter of law or equity. Each right, power and remedy of Secured Party provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Secured Party of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Secured Party, of any or all other rights, powers or remedies.

Grantor represents and warrants that Schedules A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

16542 Millikan Avenue  
Irvine, CA 92606

Attn: Chief Executive Officer

SMARTHOME, INC.

By: Michael O Bavel

Title: VP & CFO

SECURED PARTY:

Address of Secured Party:

c/o Avalon Capital LLC  
P.O. Box 41-B  
Newport Beach, CA 92662

JOHN P. KENSEY, in his capacity as the  
Administrative Agent for the Lenders under  
the Loan Agreement

[Signature Page to IP Security Agreement]

**TRADEMARK**  
**REEL: 003196 FRAME: 0557**

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

SMARTHOME, INC.

16542 Millikan Avenue  
Irvine, CA 92606

By: \_\_\_\_\_


Attn: Chief Executive Officer

Title: \_\_\_\_\_

SECURED PARTY:

Address of Secured Party:

c/o Avalon Capital LLC  
P.O. Box 41-B  
Newport Beach, CA 92662

  
\_\_\_\_\_  
JOHN P. KENSEY, in his capacity as the  
Administrative Agent for the Lenders under  
the Loan Agreement

SCHEDULE A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
SmartHome.com, Inc. website ( <a href="http://www.smarthome.com">http://www.smarthome.com</a> )	TX-5-245-083	August 15, 2000
Widest selection of home automation products in the world: vol. 29	TX-4-326-597	September 23, 1995
Home automation systems, Inc.: vol. 30: widest selection of home automation products in the world	TX-4-352-797	September 25, 1996
HAS Pro: a division of Home Automation Systems, Inc.: the one-stop wholesale supplier for all your home automation needs (Serial Work related to catalog)	TX-4-356-039	September 25, 1996
Home Automation Systems, Inc. (Serial Work related to catalog)	TX-5-087-040	April 6, 2000
Home Automation Systems, Inc. (Serial Work related to catalog)	TX-4-442-679	December 10, 1996
SmartHome Pro: widest selection of home automation products in the world (Serial Work related to catalog)	TX-5-087-037	April 6, 2000

SCHEDULE B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Home automation module having externally powered communications port	10/448,680	May 29, 2003
Remote operation of local or distant infrared controllable and non infrared controllable devices	11/085,349	March 21, 2005
Mesh network of intelligent devices communicating via power line and radio frequency	11/012,616	December 15, 2004
Signal line booster for home automation	10/616,463	July 8, 2003



SCHEDULE C

Trademarks

<b>Trademark</b>	<b>Country</b>	<b>Appln No. Appl Date</b>	<b>Reg No Reg Date</b>	<b>Classes Goods</b>	<b>Due Date</b>
INSTEON	Brazil	827019289 26-Oct-04		I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	
INSTEON	Canada	1234561 21-Oct-04		N/A Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	
INSTEON	Hong Kong	300307188 26-Oct-04	300307188 26-Oct-04	I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	R 10/25/2014
INSTEON	International Registration	Z1231709 20-Oct-04	843791 20-Oct-04	I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	R 10/20/2014
INSTEON	Mexico	684132 25-Oct-04	869940 25-Feb-05	I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	R 10/25/2014
INSTEON	New Zealand	720371 22-Oct-04	720371 28-Apr-05	I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	R 4/26/2014
INSTEON	Thailand	570209 26-Oct-04		I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	
INSTEON	United States of America	78/408351 26-Apr-04		I 09 Remote control home automation systems, namely, dimmers, relay switches, keypad transmitters and controllers, control touchscreens, and receivers.	

SMARTHOME	United States of America	78/656443 22-Jun-05		IC 35 Online retail store services featuring home automation, enhancement and control products; and mail order catalog services in the field of home automation, enhancement and control products.	
SMARTHOME.COM	Alabama		108-178 16-Jan-01	IC 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 1/16/2011
SMARTHOME.COM	Arizona		044157 18-Jul-00	N 36 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/18/2010
SMARTHOME.COM	California		053521 15-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/15/2010
SMARTHOME.COM	Colorado		200011176 13-Jun-00	I 35 All services in the class.	R 6/13/2010
SMARTHOME.COM	Connecticut		21013 08-Aug-05	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 8/8/2010
SMARTHOME.COM	Delaware		1321766 13-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/13/2010
SMARTHOME.COM	Florida		835 28-Jul-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/20/2010
SMARTHOME.COM	Georgia		S18788 29-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/29/2010
SMARTHOME.COM	Hawaii	13-Jun-00	240141 13-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/13/2011

SMARTHOME.COM	Idaho		16703 13-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/13/2010
SMARTHOME.COM	Indiana		283 29-Jun-00	N 53 Online and mail order catalog.	R 6/29/2010
SMARTHOME.COM	Maine		20010027 31-Jul-00	N 36 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/31/2010
SMARTHOME.COM	Maryland		2000/00997 24-Aug-00	N 54 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 8/24/2010
SMARTHOME.COM	Michigan		NM02-491 05-Sep-00	N 101 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services.	R 9/5/2010
SMARTHOME.COM	Missouri		S15091 28-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services.	R 6/28/2010
SMARTHOME.COM	Montana		021050 26-Jun-00	N 3-B Online and mail order catalog services featuring home automation, enhancement and control products and technical support services.	R 6/26/2010
SMARTHOME.COM	Nebraska		None 28-Jun-00	N 2 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services.	R 6/28/2010
SMARTHOME.COM	New Mexico		TK0006300 30-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/30/2010
SMARTHOME.COM	New York		S17116 26-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/26/2010

SMARTHOME.COM	North Dakota		16068500 11-Jul-00	N 50 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/11/2010
SMARTHOME.COM	Ohio		1181093 11-Sep-00	N 50 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 9/11/2010
SMARTHOME.COM	Oklahoma		31077 29-Jun-00	N (b) 101 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/29/2010
SMARTHOME.COM	Rhode Island		000620 30-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/30/2010
SMARTHOME.COM	Vermont		7964 03-Jul-00	N 50, 38 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/3/2010
SMARTHOME.COM	Washington		028920 03-Jul-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/3/2006
SMARTHOME.COM	West Virginia		1006474 03-Jul-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 7/3/2010
SMARTHOME.COM & Design	European Community	1936939 02-Nov-00	1936939 02-Jan-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 11/2/2010
SMARTHOME.COM & Design	Louisiana		567050 26-Jun-00	I 35 Online and mail order catalog services featuring home automation, enhancement and control products and technical support services offered in connection therewith.	R 6/26/2010